

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE MEMORIAL 76

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Ray Begaye

A MEMORIAL

REQUESTING THE HUMAN SERVICES DEPARTMENT TO CONDUCT A STUDY OF
THE IMPACT OF MANDATORY AUTOMOBILE LIABILITY INSURANCE ON
LOW-INCOME HOUSEHOLDS.

WHEREAS, New Mexico law mandates an owner of a motor
vehicle to either have automobile liability insurance or
demonstrate the financial ability to cover the costs incurred
should an accident occur; and

WHEREAS, the annual cost of purchasing automobile
liability insurance can be quite expensive, exceeding one
thousand dollars (\$1,000) per year, depending on various
factors, including the age, sex and driving record of the
driver, the geographic area in which the vehicle is registered
and the kind of vehicle being driven; and

WHEREAS, people living in poverty or near poverty may not

underscoring material = new
~~[bracketed material] = delete~~

underscored material = new
[bracketed material] = delete

1 be able to afford to purchase automobile liability insurance;
2 and

3 WHEREAS, the inability to afford automobile liability
4 insurance, coupled with the general lack of availability of
5 public transportation, impairs the ability of people living in
6 or near poverty to find employment and contribute meaningfully
7 to society; and

8 WHEREAS, the 2009 federal poverty level for a household of
9 two is fourteen thousand five hundred seventy dollars (\$14,570)
10 per year, or one thousand two hundred fourteen dollars (\$1,214)
11 per month; and

12 WHEREAS, according to a 2003 study conducted by New Mexico
13 voices for children titled *Bare Bones Budgets*, the federal
14 poverty levels understate poverty by one hundred thirty-six
15 percent to two hundred forty-seven percent; and

16 WHEREAS, people living in poverty or near poverty
17 frequently must do without necessities, or make choices between
18 needs, such as food, clothing, health care or insurance; and

19 WHEREAS, people living in or near poverty may rely on an
20 automobile to travel to and from places of employment; however,
21 the cost of maintaining that automobile must often be balanced
22 with other necessary expenditures; and

23 WHEREAS, people living in poverty or near poverty can and
24 often do qualify for various public assistance programs with
25 incomes above the federal poverty level; and

.177912.1

underscoring material = new
[bracketed material] = delete

1 WHEREAS, requiring people living at or near the federal
2 poverty level to purchase automobile liability insurance may
3 force them to use scarce personal resources for that purpose
4 while foregoing other needs;

5 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
6 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the human
7 services department be requested to conduct a study of the
8 impact of mandatory automobile liability insurance on
9 low-income households; and

10 BE IT FURTHER RESOLVED that the human services department
11 consult with the motor vehicle division of the taxation and
12 revenue department, the insurance division of the public
13 regulation commission, the university of New Mexico and others
14 in conducting the study; and

15 BE IT FURTHER RESOLVED that the study consider creating an
16 alternative to the requirement to purchase automobile liability
17 insurance for households between one hundred percent and two
18 hundred fifty percent of the federal poverty levels; and

19 BE IT FURTHER RESOLVED that the study investigate the
20 guidelines presented by other human services department
21 programs to which people have access, such as temporary
22 assistance for needy families, food stamps and medicaid and
23 consider the appropriateness of applying guidelines such as
24 these to the purchase of automobile liability insurance; and

25 BE IT FURTHER RESOLVED that the human services department

.177912.1

underscoring material = new
~~[bracketed material] = delete~~

1 consult with appropriate entities to consider whether extending
2 this requirement to people unable to afford the annual premium
3 is a fair requirement; and

4 BE IT FURTHER RESOLVED that a report of the findings and
5 recommendations of the study be presented to the interim
6 legislative health and human services committee at its November
7 meeting and that the report be sent to the governor, the
8 secretaries of health and transportation, the consumer
9 protection division of the office of the attorney general and
10 the director of the motor vehicle division of the taxation and
11 revenue department; and

12 BE IT FURTHER RESOLVED that a copy of this memorial be
13 transmitted to the secretary of human services.